

Senate Bill No. 488

Passed the Senate September 8, 2009

Secretary of the Senate

Passed the Assembly September 2, 2009

Chief Clerk of the Assembly

This bill was received by the Governor this _____ day
of _____, 2009, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 25310 of the Public Resources Code, and to add and repeal Sections 715 and 9615.5 of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 488, Pavley. Energy: energy usage information.

(1) Under existing law, the Public Utilities Commission (PUC) has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined. The existing Public Utilities Act requires the PUC to review and adopt a procurement plan for each electrical corporation. The act requires the PUC, in consultation with the State Energy Resources Conservation and Development Commission (Energy Commission), to identify all potentially achievable cost-effective electricity efficiency savings and to establish efficiency targets for an electrical corporation to achieve pursuant to its procurement plan. The act requires that an electrical corporation's procurement plan include a showing that the electrical corporation will first meet its unmet resource needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible. The act requires the PUC, in consultation with the Energy Commission, to identify all potentially achievable cost-effective natural gas efficiency savings and to establish efficiency targets for the gas corporation to achieve these targets and to require that a gas corporation first meet its unmet gas resource needs through all available natural gas efficiency and demand reduction resources that are cost effective, reliable, and feasible. The act requires each electrical corporation and each gas corporation to disclose on the residential customer's billing statement specified information on usage and cost, and contact information for the PUC's Consumer Affairs Branch, and to make available online to residential customers specified information on usage and energy conservation measures. The act authorizes the PUC to modify, adjust, or add to these requirements as the individual circumstances of each electrical corporation or gas corporation merit, or for master-meter customers, as individual circumstances merit. The act requires the

PUC, as part of the general rate case of an electrical corporation or gas corporation, to assess opportunities to improve the quality of information contained in the utility's periodic billings.

This bill would require each electrical corporation and gas corporation having a comparative energy usage disclosure program, as defined, to report to the PUC the nature of the utility's program and the energy savings resulting from that program on or before March 15, 2010, or within 90 days of having collected a year's worth of data, and each March 15, or one year from the last reporting date, thereafter, up to and including March 15, 2014. The bill would require the PUC, using an experimental design, as defined, to evaluate the information supplied by electrical corporations and gas corporations relative to their comparative energy usage disclosure programs and to determine the net energy savings that are currently being achieved and which could be achieved through expansion of comparative energy usage disclosure programs. The bill would require the PUC to report to the Energy Commission and the Legislature on the results of its evaluation and any action undertaken by the PUC in response to the evaluation. These requirements would become inoperative on July 1, 2015, and would repeal on January 1, 2016.

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the PUC is a crime.

Because the provisions of this bill are within the act and a violation of the bill's requirements would be a crime, the bill would impose a state-mandated local program by creating a new crime.

(2) The Warren-Alquist State Energy Resources Conservation and Development Act establishes the Energy Commission and requires it to prepare an integrated energy policy report on or before November 1, 2003, and every 2 years thereafter. Existing law requires the Energy Commission, on or before November 1, 2007, and every 3 years thereafter, in consultation with the PUC and local publicly owned electric utilities, in a public process that allows input from other stakeholders, to develop a statewide estimate of all potentially achievable cost-effective electricity and natural gas efficiency savings and establish statewide annual targets for energy efficiency savings and demand reduction over 10 years. Existing law requires the Energy Commission to include in the integrated energy policy report, for each electrical corporation and

each gas corporation, a comparison of the public utility's annual energy efficiency targets, and the public utility's actual energy efficiency savings and demand reductions.

Existing law requires each local publicly owned electric utility, as defined, in procuring energy, to first acquire all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible. Existing law requires each local publicly owned electric utility to report annually to its customers and to the Energy Commission its investment in energy efficiency and demand reduction programs, as specified. Existing law requires a local publicly owned electric utility, on or before June 1, 2007, and every 3 years thereafter, to identify all potentially achievable cost-effective electricity efficiency savings and to establish annual targets for energy efficiency savings and demand reduction over 10 years. Existing law requires a local publicly owned electric utility to report those targets to the Energy Commission within 60 days of the date of adoption.

This bill would require each local publicly owned electric utility having an active comparative electricity usage disclosure program, as defined, to report to the Energy Commission the nature of the utility's program and the energy savings resulting from that program on or before March 15, 2010, or within 90 days of having collected a year's worth of data, and each March 15, or one year from the last reporting date, thereafter, up to and including, March 15, 2014. The bill would authorize the Energy Commission to request information from a local publicly owned electric utility that the Energy Commission determines is needed to evaluate the potentially achievable cost-effective electricity efficiency savings achievable through an expansion or statewide deployment of comparative electricity usage disclosure programs. The bill would authorize the PUC, for comparison purposes in performing the above-described evaluation, to request that the Energy Commission supply the PUC with the information supplied by a local publicly owned electric utility about its comparative electricity usage disclosure program. These requirements would become inoperative on July 1, 2015, and would repeal on January 1, 2016.

This bill would require that the Energy Commission, in developing a statewide estimate of all potentially achievable cost-effective electricity and natural gas efficiency savings and establishing targets for statewide annual energy efficiency savings

and demand reduction, to consider the information supplied relative to comparative energy or electricity usage disclosure programs.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 25310 of the Public Resources Code is amended to read:

25310. On or before November 1, 2007, and by November 1 of every third year thereafter, the commission in consultation with the Public Utilities Commission and local publicly owned electric utilities, in a public process that allows input from other stakeholders, shall develop a statewide estimate of all potentially achievable cost-effective electricity and natural gas efficiency savings and establish targets for statewide annual energy efficiency savings and demand reduction for the next 10-year period. The commission shall base its estimate at least in part on information developed pursuant to Sections 454.55, 454.56, 715, 9615, and 9615.5 of the Public Utilities Code. The commission shall, for each electrical corporation and each gas corporation, include in the integrated energy policy report, a comparison of the public utility's annual targets established pursuant to Sections 454.55 and 454.56, and the public utility's actual energy efficiency savings and demand reductions.

SEC. 2. Section 715 is added to the Public Utilities Code, to read:

715. (a) For purposes of this section, the following terms have the following meanings:

(1) "Comparative energy usage disclosure program" means a program pursuant to which an electrical corporation or gas corporation discloses information to residential subscribers relative to the amount of energy used by the metered residence compared to similar residences in the subscriber's geographical area.

(2) "Experimental design" with respect to an energy efficiency evaluation has that meaning as described on pages 30 and 31 of

the commission's publication titled "California Energy Efficiency Evaluation Protocols: Technical, Methodological, and Reporting Requirements for Evaluation Professionals," dated April 2006.

(b) In order for the commission to evaluate potential energy savings that can be achieved through behavioral change, on or before March 15, 2010, or within 90 days of having collected a year's worth of data, and each March 15, or one year from the last reporting date, thereafter, up to and including March 15, 2014, each electrical corporation and gas corporation having a comparative energy usage disclosure program shall report to the commission the nature of the utility's program and the energy savings resulting from that program.

(c) (1) The commission shall, using an experimental design, evaluate the information supplied by electrical corporations and gas corporations relative to their comparative energy usage disclosure programs and determine the net energy savings that are currently being achieved and which could be achieved through expansion of comparative energy usage disclosure programs.

(2) The commission may request additional information from an electrical corporation or gas corporation that the commission determines is needed to perform the evaluation pursuant to paragraph (1). An electrical corporation or gas corporation from which the commission requests additional information shall timely provide the commission with the information requested if it is reasonably available. The commission may, for comparison purposes, additionally request that the Energy Commission supply the commission with that information supplied by a local publicly owned electric utility pursuant to Section 9615.5.

(d) The commission shall report to the Energy Commission and the Legislature on the results of its evaluation and any action undertaken by the commission in response to the evaluation.

(e) Nothing in this section limits the authority of the commission, pursuant to paragraph (3) of subdivision (e) of Section 739, to require an electrical corporation or gas corporation to disclose comparative energy usage information on the billing statement of a residential customer.

(f) This section shall become inoperative on July 1, 2015, and, as of January 1, 2016, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2016, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 3. Section 9615.5 is added to the Public Utilities Code, to read:

9615.5. (a) For purposes of this section, “comparative electricity usage disclosure program” means a program pursuant to which a local publicly owned electric utility discloses information to residential subscribers relative to the amount of electricity used by the metered residence compared to similar residences in the subscriber’s geographical area.

(b) In order for the Energy Commission to evaluate potential cost-effective energy savings and demand reductions that can be achieved through behavioral change and to incorporate that information in establishing targets for statewide annual energy efficiency savings pursuant to Section 25310 of the Public Resources Code, on or before March 15, 2010, or within 90 days of having collected a year’s worth of data, and each March 15, or one year from the last reporting date, thereafter, up to and including March 15, 2014, each local publicly owned electric utility having an active comparative electricity usage disclosure program shall report to the Energy Commission, in its annual report prepared pursuant to subdivision (d) of Section 9615, the nature of the utility’s program and the energy savings resulting from that program.

(c) The Energy Commission may request information from a local publicly owned electric utility that the Energy Commission determines is needed to evaluate the potentially achievable cost-effective electricity efficiency savings achievable through an expansion or statewide deployment of comparative electricity usage disclosure programs.

(d) This section shall become inoperative on July 1, 2015, and, as of January 1, 2016, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2016, deletes or extends the dates on which it becomes inoperative and is repealed.

SEC. 4. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution for certain costs that may be incurred by a local agency or school district because, in that regard, this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the

meaning of Section 6 of Article XIII B of the California Constitution.

With respect to certain other costs, no reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

Approved _____, 2009

Governor